

LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

November 1, 2017

A Legal and Finance Committee meeting was held at the City/School Administration Center in Rapid City, South Dakota, on Wednesday, November 1, 2017, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Amanda Scott, Steve Laurenti, Laura Armstrong, Becky Drury and Chad Lewis. Absent: None.

(NOTE: For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Agenda.)

ADOPTION OF AGENDA

Motion was made by Laurenti, second by Drury and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

None.

CONSENT ITEMS

Motion was made by Laurenti, second by Armstrong and carried to approve Items 1-16 as they appear on the Consent Items with the exception of Item No. 14.

- 1) Approve Minutes for October 11, 2017

MAYOR'S ITEMS

- 2) LF110117-10 – Confirm the Reappointment of John Riker to the Historic Preservation Commission
- 3) LF110117-11 – Confirm the Appointment of Rachel Caesar to the Tax Increment Financing (TIF) District Project Review Committee
- 4) LF110117-12 – Confirm the Reappointment of Kibbe Conti and the Appointments of Paula Wilkinson-Smith, Herb Kron and Judy Duhamel to the Community Investment Committee

FINANCE DEPARTMENT

- 5) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Keith Brink (RSVP+), Emily Trainer (Library), Charles Kirchmeier (Library), Stephanie Kirchmeier (Library), Mike Trike (RSVP+)
- 6) LF110117-01 – Acknowledge August 2017 Sales Tax Report
- 7) LF110117-02 – Approve Resolution No. 2017-094 a Resolution Declaring Miscellaneous Personal Property Surplus
- 8) LF110117-05 – Acknowledge September 2017 General Fund Cash Balance Report
- 9) LF110117-07 – Authorize Mayor and Finance Officer to Sign Combined Election Agreement with Pennington County for Any Special Elections in 2018
- 10) LF110117-14 – Approve Resolution No. 2017-104 a Resolution Amending Certain Fees to be Charged in 2018 for Various Licenses, Permits and Applications

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OPPORTUNITY CAPTURE FUND COMMITTEE

- 11) LF110117-04 – Acknowledge Update from the Opportunity Capture Fund Committee

COMMUNITY RESOURCES

- 12) LF110117-03 – Approve Resolution No. 2017-097 Authorizing Salary Adjustments for Non-Union Benefitted Employees in 2018
- 13) LF110117-06 – Approve Resolution No. 2017-095 a Resolution to Approve January 1, 2018 – December 31, 2018 Renewal for City of Rapid City Group Healthcare Plan
- 14) LF110117-08 – Drury asked Chief of Police Karl Jegeris to explain if this position is permanent or if it is only for the duration of the grant. Chief Jegeris stated it likely will be a permanent position. The position is funded as part of the matching grant for the first two years. He expects that after the two year period, they would absorb that full time employee into the records division with one of the other positions by reducing a position. The hope is we will have a plus one for two years which will get us through the learning curve that is involved in this and the end result at the end of the grant period would be that we would no longer need an additional FTE but we would retain this position. Lewis moved to approve Resolution No. 2017-098 a Resolution Creating New Position of Police Video Evidence Technician. Second by Drury. Motion carried.

CITY ATTORNEY'S OFFICE

- 15) LF110117-13 – Approve Resolution No. 2017-102 a Resolution Removing the Rapid City Special Assessment on Sunnyvale, Block 2, Lot B, Revised of Lot 18-22 of Tract C, also known as 3628 Washington Street

METROPOLITAN PLANNING ORGANIZATION

- 16) 17TP014 – Authorize Mayor and Finance Officer to Sign the Agreement Between the City of Rapid City and Meade County for Accomplishing the Rapid City Area Transportation Planning Process

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – **Items 17 - 22**

Public Comment opened – **Items 17 - 22**
Public Comment closed

FINANCE DEPARTMENT

- 17) LF110117-09 – Laurenti moved to approve Introduction and First Reading of Ordinance No. 6209 an Ordinance Regarding Supplemental Appropriation #4 for 2017. Second by Armstrong. Motion carried.
- 18) LF110117-16 – Laurenti asked Finance Officer Pauline Sumption if this initial report has been presented to the Council before. Sumption explained the Council did see a draft financial report in March of 2016 but this is the first time you have seen the initial report. Laurenti asked if it is typical that we are seeing the 2015 audit in 2017. Sumption stated this is not typical. The implementation of our new software system effected the timing of this report. Because of that delay it also caused timing issues on the auditors schedule end as well. Typically the auditors begin their field work in July and under a normal year they would have it complete by September 30 following year end. Laurenti asked if she believes we have improved upon some of the findings specifically, the separation of duties because of the new software. Sumption feels there is always room for improvement. She does feel the workflow process within the accounting system now will help alleviate those comments being made. Scott asked if 2015 is coming to Council now, when will the 2016 audit come. Sumption said 2016 should be finished by the end of the year which will put us

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back on schedule for 2017. Lewis moved to send to Council without recommendation moved to approve Audit Report of City of Rapid City – 2015 Financial and Compliance Report. Second by Laurenti. Motion carried.

PUBLIC WORKS

- 19) PW101017-09 – Drury stated she will not support this reading. Although she believes there should be a buildup in reserves, she does not agree with the rate at which it is being raised. She has received several negative calls and emails regarding the rate increase. She also feels this will affect the renters in our community and this will make it even harder for those people to make ends meet. Lewis asked Public Works Director Dale Tech to explain the current condition of the Mountain View Water Treatment Plant. Tech explained the Plant was built in the 1960s and then an addition was built in the 1970s. The plant is functioning however it is obsolete. The equipment cannot be found other than in salvage yards. At some point the City will have to find another location or ability to treat water from the plant. The plant could be retrofitted which was considered years ago but was not a cost effective way, it would be better to build a new facility in a different location. With the discussion of rates, we need to look to the future and have a viable long term water supply for our city and the Mountain View plant does not fit into that model anymore. Lewis asked what would happen if the plan does fail. Tech said that is difficult to predict. We have current water supply with our Jackson Springs Water Treatment Plant as well as our wells to supply the needs of the community. If for some reason the Mountain View Plant was not operational in the heat of the summer, we may have to resort to some severe watering and water usage restrictions for our customers. Lewis asked Finance Officer Pauline Sumption what the \$11.00 surcharge for Jackson Springs is on his water bill. Sumption stated that surcharge was established when we did the 2009 bonds for the Jackson Springs Water Treatment Facility. We are required to charge that fee until the bonds are paid in full. Lewis asked if it would be safe to say some of this bond was due to not enough money in reserves to fix that plant. Sumption responded absolutely because that was a 49 million dollar bond issue. Laurenti considers himself a fairly conservative spender of government and tax payer’s money but in this particular area he supports the rate change. He feels that infrastructure and public safety comes first. Our ability to deliver safe drinking water to the public is paramount. This study was extensive. Unfortunately in years past Council has not supported some of the increases that were necessary. This is what happens when councils do something political with infrastructure. In reality over the years there would have been smaller increases had the council adopted the previous studies. Even though he is not happy with the increase and his constituents are not happy but this needs to be something the public needs to embrace and realize these are enterprise funds which means these areas do not operate on profit. Scott asked Tech to confirm that this ordinance before the council is to remove the rates in the ordinance in order to place them in a resolution rather than having them in the ordinance itself. Tech confirmed. Lewis moved to approve Second Reading and Recommendation of Ordinance No. 6201 an Ordinance to Revise the Rates, Fees, and Charges for City’s Water Utility by Amending Chapter 13.08 of the Rapid City Municipal Code. Second by Laurenti. A vote was taken with Scott, Laurenti, Armstrong and Lewis voting “yes” and Drury voting “no”. Motion carried.
- 20) PW101017-10 – Laurenti moved to approve Second Reading and Recommendation of Ordinance No. 6202 an Ordinance to Revise the Rates, Fees, and Charges for City’s Sewer Utility by Amending Chapter 13.16 of the Rapid City Municipal Code. Second by Armstrong. A vote was taken with Scott, Laurenti, Armstrong and Lewis voting “yes” and Drury voting “no”. Motion carried. Motion carried. NO - Drury

BUILDING SERVICES

- 21) LF101117-07 – Laurenti moved to approve Second Reading and Recommendation of Ordinance No. 6192 an Ordinance to Adopt the 2017 Edition of the National Electrical Code and to Amend Local Provisions by Amending Chapter 15.16 of the Rapid City Municipal Code. Second by Armstrong. Motion carried.

CITY ATTORNEY'S OFFICE

- 22) Drury moved to approve LF110117-15 – Introduction and First Reading of Ordinance No. 6210 an Ordinance to Amend Chapter 5.60 of the Rapid City Municipal Code to Adopt Provisions Governing Transportation Network Companies and to Amend Taxicab Ordinances. Second by Lewis. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Lewis, second by Laurenti and carried to adjourn the meeting at 12:52 p.m.